

D.C. Lottery and Charitable Games Control Board

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Description	FY 2003 Actual	FY 2004 Approved	FY 2005 Proposed	% Change from FY 2004
Operating Budget	\$166,185,147	\$242,754,700	\$247,000,000	1.7
FTEs	92.3	100.0	100.0	0.0

The mission of the D.C. Lottery and Charitable Games Control Board (DCLB) is to provide lottery operations and charitable gaming regulatory oversight services for the District of Columbia government so the District can receive a dependable source of revenue and protect its citizens from fraud and deception in charitable gaming.

The agency plans to fulfill its mission by achieving the following strategic result goals:

Increasing transfers to District general fund:

- Increase revenue by \$4.2 million or 2.0 percent over the FY 2005 approved budget.
- Budget to address estimated expenditures and meet the targeted transfer.

Expanding participation:

- Develop new or redesign current games to address untapped market opportunities.
- Expand the agent base into targeted social settings and underrepresented geographic segments of the city.

Funding by Source

Tables DC-1 and 2 show the sources of funding and FTEs by fund type for the D.C. Lottery and Charitable Games Control Board.

Table DC0-1

FY 2005 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

Appropriated Fund	Actual FY 2002	Actual FY 2003	Approved FY 2004	Proposed FY 2005	Change from FY 2004	Percent Change
Special Purpose Revenue Fund	212,138	166,185	242,755	247,000	4,245	1.7
Total for General Fund	212,138	166,185	242,755	247,000	4,245	1.7
Gross Funds	212,138	166,185	242,755	247,000	4,245	1.7

Table DC0-2

FY 2005 Full-Time Equivalent Employment Levels

Appropriated Fund	Actual FY 2002	Actual FY 2003	Approved FY 2004	Proposed FY 2005	Change from FY 2004	Percent Change
General Fund						
Special Purpose Revenue Fund	92	92	100	100	0	0.0
Total for General Fund	92	92	100	100	0	0.0
Total Proposed FTEs	92	92	100	100	0	0.0

Expenditure by Comptroller Source Group

Table DC0-3 shows the FY 2005 proposed budget for the agency at the Comptroller Source Group level (Object Class level).

Table DC0-3

FY 2005 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

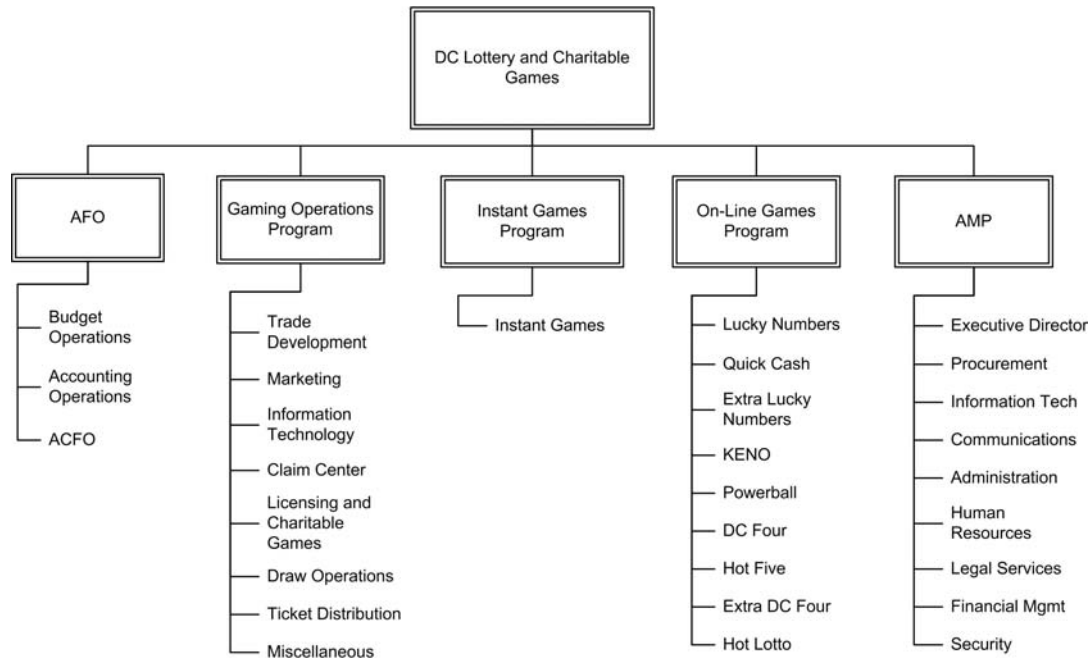
Comptroller Source Group	Actual FY 2002	Actual FY 2003	Approved FY 2004	Proposed FY 2005	Change from FY 2004	Percent Change
11 Regular Pay - Cont Full Time	4,685	5,257	5,711	6,244	533	9.3
12 Regular Pay - Other	79	45	66	66	0	0.0
13 Additional Gross Pay	26	37	182	85	-97	-53.2
14 Fringe Benefits - Curr Personnel	845	898	909	1,060	151	16.6
15 Overtime Pay	93	107	0	0	0	0.0
Subtotal Personal Services (PS)	5,728	6,344	6,869	7,455	587	8.5
20 Supplies And Materials	69	96	202	205	3	1.3
30 Energy, Comm. And Bldg Rentals	17	15	8	34	26	314.6
31 Telephone, Telegraph, Telegram, Etc	1,262	1,326	1,381	1,793	411	29.8
32 Rentals - Land And Structures	1,267	1,202	1,384	1,309	-75	-5.4
33 Janitorial Services	5	0	5	0	-5	n/a
34 Security Services	0	0	357	0	-357	n/a
35 Occupancy Fixed Costs	0	0	0	10	10	n/a
40 Other Services And Charges	13,088	15,011	16,734	17,121	386	2.3
41 Contractual Services - Other	3,376	3,167	4,968	4,437	-531	-10.7
50 Subsidies And Transfers	186,548	138,264	210,148	214,000	3,852	1.8
70 Equipment & Equipment Rental	779	761	698	636	-62	-8.8
Subtotal Nonpersonal Services (NPS)	206,410	159,841	235,886	239,545	3,659	1.6
Total Proposed Operating Budget	212,138	166,185	242,755	247,000	4,245	1.7

Expenditures by Program

D.C. Lottery and Charitable Games Control Board has the following program structure:

Figure DC0-1

D.C. Lottery and Charitable Games Control Board



Gross Funds

The proposed budget is \$247,000,000, representing an increase of \$4,245,300 or 1.7 percent over the FY 2004 approved budget of \$242,754,700. There are 100.0 total FTEs for the agency, no change from the FY 2004 approved budget.

General Fund

Special Purpose Revenue Funds. The proposed budget is \$247,000,000, representing an increase of \$4,245,300 or 1.7 percent over the FY 2004 approved budget of \$242,754,700. There are 100.0 total FTEs for the agency, no change from the FY 2004 approved budget.

Programs

The D.C. Lottery and Charitable Games Control Board is committed to the following programs:

Gaming Operations

	FY 2004*	FY 2005
Budget	\$3,901,996	\$3,886,542
FTEs	48.0	48.0

*FY 2004 program funding levels are presented for comparison purposes only. Program budgets did not exist for FY 2004 for this agency because the agency had not yet created its performance-based budgeting structure.

Program Description

The **Gaming Operations** program primarily supports the Citywide Strategic Priority area of

Making Government Work. The purpose of this program is to provide lottery support services to lottery retail agents, the gaming and public and the government of the District of Columbia so they can benefit from the portfolio of games offered by DCLB.

- **Trade Development** - provides sales goals and retail development services to Lottery Retail Agents so they can reach minimum sales volumes and achieve sustained growth.
- **Licensing and Charitable Games** - provides licensing and regulatory compliance services to existing and prospective lottery retail agents and non-profit charitable organizations so they can receive licenses to sell lottery products and conduct charitable gaming activities in accordance with the laws and regulations set forth by the District.
- **Marketing** - provides advertising and promotional information to eligible players so they can purchase lottery tickets and avail themselves of the entertainment value offered by the DCLB.
- **Draw Operation** - provides draw services to the gaming public so they can be assured of an unbiased and random draw.
- **Information Technology** - provides technical coordination and oversight services to lottery retail agents, customers and internal DCLB operations so they can deliver, play and provide an uncompromised portfolio of lottery.
- **Claim Center** - provides claims processing and gaming information services to the gaming public so they can redeem prizes and enjoy a positive gaming experience.
- **Ticket Distribution** - provides instant tickets to lottery retail agents so they can generate sales and earn commissions.

Program Budget Summary

Since this agency transitions to a PBB agency in FY 2005, no analysis can be done between the FY 2005 request and the previous budget years on a program-by-program basis. The program has an overall budget decrease of \$15,454 due to achieving operational efficiencies.

Key Result Measures

Program 1: Gaming Operations

Citywide Strategic Priority Area(s): Making Government Work

Manager(s): Kevin Johnson; Vivien Cunningham; William Parson; Doris Brown; William Robinson; Melody Booker; Ann McPherson; Wayne Carrington; Sylvia Kinard

Supervisor(s): Jeanette A. Michael, Executive Director; Jeffrey Young, Chief Operating Officer

Measure 1.1: Percent increase in lottery tickets sold

	Fiscal Year	
	2005	2006
Target	2	3
Actual	-	-

Measure 1.2: Eligible agents who achieve year-over-year growth over target levels

	Fiscal Year	
	2005	2006
Target	5	5
Actual	-	-

Instant Games

	FY 2004*	FY 2005
Budget	\$35,927,556	\$37,294,295
FTEs	0.0	0.0

*FY 2004 program funding levels are presented for comparison purposes only. Program budgets did not exist for FY 2004 for this agency because the agency had not yet created its performance-based budgeting structure.

Goal 1: Provide a dependable, uninterrupted source of revenues to the District's General Fund.

Citywide Strategic Priority Area(s): Making Government Work

Manager(s): Kevin Johnson; Vivien Cunningham; William Parson; Robert Hailey; James Jones; Ida Crosson; Claudia Booker; Carol Jackson Jones; Doris Brown; William Robinson; Melody Booker; Barry Robinson

Supervisor(s): Jeanette A. Michael, Executive Director

Program Description

This program is solely funded by Special Purpose Revenue funds, has a total requested budget of \$37,294,295 and supports no FTEs. This program contains the following activity:

- **Instant Games** - provides lottery opportunities to the gaming public so they can experience the entertainment value and potential reward of playing.

Program Description

Since this agency transitions to a PBB agency in FY 2005, no analysis can be done between the FY 2005 request and the previous budget years on a program-by-program basis. The sole activity, Instant Games, had an overall increase of \$1,366,739 to support greater lottery payouts because of higher lottery game participation. Higher lottery retail agent payments increased due to larger estimated payouts and other contractual costs.

Key Result Measures

Program 2: Instant Games

Citywide Strategic Priority Area(s): Making Government Work

Manager(s): Kevin Johnson; William Parson; Sylvia Kinard

Supervisor(s): Jeanette A. Michael, Executive Director; Jeffrey Young, Chief Operating Officer

Measure 2.1: Percent of instant games that achieve transfer goals

	Fiscal Year	
	2005	2006
Target	15	15
Actual	-	-

On-line Games

	FY 2004*	FY 2005
Budget	\$195,879,244	\$199,148,430
FTEs	0.0	0.0

*FY 2004 program funding levels are presented for comparison purposes only. Program budgets did not exist for FY 2004 for this agency because the agency had not yet created its performance-based budgeting structure.

Program Description

The **On-line Games** program primarily supports the Citywide Strategic Priority area of *Making Government Work*. The purpose of this program is to provide on-line lottery services to the gaming public for the District of Columbia so the District can experience a source of revenue from the transfer of funds from lottery sales.

This program has the following activities:

- **Lucky Numbers, DC Four, Quick Cash, Hot Five, KENO, Hot Lotto and PowerBall** - provide lottery opportunities to the gaming public so they can experience the entertainment value and potential reward of playing.

Program Budget Summary

Since this agency transitions to a PBB agency in FY 2005, no analysis can be done between the FY 2005 request and the previous budget years on a program-by-program basis. Several activities including the PowerBall, DC Four, and Lucky Numbers gaming activities have had an overall budget increase of \$3,269,186 to support greater lottery payouts because of higher lottery game participation. Higher lottery retail agent payments because of larger estimated payouts and other contractual costs also contribute to the increase.

Key Result Measures

Program 3: On-Line Gaming Operations

Citywide Strategic Priority Area(s): Making Government Work

Manager(s): Kevin Johnson; William Parson; Sylvia Kinard

Supervisor(s): Jeanette A. Michael, Executive Director; Jeffrey Young, Chief Operating

Measure 3.1: Percent of on-line games that achieve targeted transfer goals

	Fiscal Year	
	2005	2006
Target	100	100
Actual	-	-

Agency Management

	FY 2004*	FY 2005
Budget	\$4,570,748	\$5,437,120
FTEs	37.0	37.0

*FY 2004 program funding levels are presented for comparison purposes only. Program budgets did not exist for FY 2004 for this agency because the agency had not yet created its performance-based budgeting structure.

Program Description

The **Agency Management** program provides operational support to the agency so that they have the necessary tools to achieve operational and programmatic results. This program is standard for all PBB agencies. More information about the Agency Management program can be found in the Strategic Budgeting chapter.

Program Budget Summary

Since this agency transitions to a PBB agency in FY 2005, no analysis can be done between the FY 2005 request and the previous budget years on a program-by-program basis. An overall budget increase of \$1,184,844 from the FY 2004 comparison is attributed to the transfer of certain financial functions to the Agency Financial Operations program. Higher contractual and fixed costs also contribute to the increase.

Key Result Measures

Program 4: Agency Management

Managers: Kevin Johnson; Vivien Cunningham; William Parson; Robert Hainey; James Jones; Ida Crosson; Claudia Booker; Carol Jackson Jones; Doris Brown; William Robinson; Melody Booker; Barry Robinson
Supervisor(s): Jeanette A. Michael, Executive Director; Jeffrey Young, Chief Operating Officer

Measure 4.1: Dollars saved by agency-based labor management partnership project(s)

	Fiscal Year 2005	Fiscal Year 2006
Target	100	100
Actual	-	-

Note: Although agencies established their initial labor-management partnership projects in FY 2003, very few had cost savings as objectives. Agencies will continue ongoing projects and/or establish new projects by the third quarter of FY 2004. Cost savings will be tracked for this measure for those projects that have cost-savings as a key objective.

Measure 4.2: Percent variance of estimate to actual expenditure (over/under)

	Fiscal Year 2005	Fiscal Year 2006
Target	5	5
Actual	-	-

Measure 4.3: Cost of Risk

	Fiscal Year 2005	Fiscal Year 2006
Target	4	4
Actual	-	-

Note: This measure replaces "Percent reduction of employee lost workday injury cases." Cost of Risk will be a comprehensive measure of a wide range of risks confronting each agency, including but not limited to safety issues, financial risks, and potential litigation. Agencies will establish a baseline in FY 2004 (FY 2005 for PBB III agencies) and will seek to achieve reductions in the Cost-of-Risk in subsequent years. Lost workdays due to injuries will be one of many components of the Cost-of-Risk formula (1/9/04).

Measure 4.4: Rating of 4-5 on all four telephone service quality criteria: 1) Courtesy, 2) Knowledge, 3) Etiquette and 4) Overall Impression

	Fiscal Year 2005	Fiscal Year 2006
Target	70	70
Actual	-	-

Measure 4.5: Percent of Key Result Measures Achieved

	Fiscal Year 2005	Fiscal Year 2006
Target	-	-
Actual	-	-

Agency Financial Operations

	FY 2004*	FY 2005
Budget	\$2,475,156	\$1,233,613
FTEs	15.0	15.0

*FY 2004 program funding levels are presented for comparison purposes only. Program budgets did not exist for FY 2004 for this agency because the agency had not yet created its performance-based budgeting structure.

Program Description

The purpose of the **Agency Financial Operations** program is to provide comprehensive and efficient financial management services to and on behalf of District agencies so that the financial integrity of the District of Columbia is maintained. This program is standard for all

Performance-Based Budgeting agencies. More information about the Agency Financial Operations program can be found in the Strategic Budgeting Chapter.

For more detailed information regarding the proposed funding for the activities within this agency's programs, please see schedule 30-PBB in the FY 2005 Operating Appendices volume.

